

DEPARTMENT OF STATE REVENUE
LETTER OF FINDINGS NUMBER: 03-0133P
Individual Income Tax
For Calendar Year 1998

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ISSUE(S)

I. Tax Administration – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer protests the proposed penalty assessment for failing to report Federal RAR adjustments. Taxpayer's additional income tax amounted to \$8,781.53. It was determined that final resolution with the Internal Revenue Service was on June 10, 2002 but the taxpayer failed to report the RAR adjustments to the Indiana Department of Revenue.

Taxpayer's CPA filed a penalty protest letter dated March 13, 2003 that merely requests a penalty waiver.

I. Tax Administration – Penalty

DISCUSSION

Taxpayer merely requests a penalty and interest waiver because he was not aware that he should have considered amending the Indiana returns as a result of the federal adjustment. Taxpayer further states that the examination by the IRS for the year involved was stretched beyond an excessive amount of time and incurred additional interest charges.

Taxpayer did not notify the Department as required under 45 IAC 3.1-1-94 and IC 6-3-4-6 which state that the taxpayer file a notice, on a form prescribed by the department, within one hundred twenty (120) days after the modification is made.

Taxpayer has not provided reasonable cause to allow the Department to waive the penalty and has no authority to waive interest.

FINDING

Taxpayer's protest is denied.